



SROI EVALUATION K&DCCAI AND FINANCIAL PROJECT EVALUATION FOR “RISE AND SHINE AGEING- IN-PLACE.”

Social and Financial Report

Abstract

Social Return on Investment (SROI) is a method that incorporates social, non-market benefits. It allows Government agencies to make decisions based on the social impact generated by community-based projects. Calculating the financial return does not capture the social impact or the value created by K&DCCAI and Rise and Shine ageing-in-place. SROI includes intangible benefits that are difficult to quantify using financial return alone. K&DCCAI's Social Return on Investment of \$1:\$17.27, every dollar spent on this social project generates an impact of \$17.27 for the community in tangible and intangible benefits. K&DCCAI is a very efficient “social entrepreneur”.

Mabel Wood McLeod

BEcon, UNA; MEcon, UQ; MCom (Finance), UOW

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Table of Contents

EXECUTIVE SUMMARY	4
1. INTRODUCTION	6
Purpose and objectives of the report.	6
Background	6
i. Overview K&DCCAI Rise and Shine Project	6
ii. Existing evidence on Aged Care Data	8
2. SOCIAL RETURN ON INVESTMENT (SROI) – EVALUATION OF K&DCCAI	12
2.1 Scope and Stakeholders	12
i. Scope	12
ii. Stakeholders	12
2.2 Outcomes and Evidence	13
Identifying Stakeholders and Material Outcomes – Stages 1, 2, and 3	13
Stakeholder Consultation	16
2.3 Impact	20
2.4 Social Return on Investment (SROI) Calculation	22
3. FINANCIAL PROJECT EVALUATION - RISE AND SHINE AGEING-IN-PLACE.	23
3.1 Net Present Value (NPV) and Internal Rate of Return (IRR) – Rise and Shine Ageing-in-place.	23
3.2 The project’s assumptions are as follows:	23
3.3 NPV and IRR Results Discussion	24
3.4 Sensitivity analysis	24
4. CONCLUSION AND RECOMMENDATIONS	26
References	27

Executive Summary

The Rise & Shine ageing-in-place project by K&DCCAI is a highly innovative and impactful initiative designed to address the pressing challenges facing the local community. It is a place-based solution that has been tailored to address the specific needs and concerns of the community, which makes it particularly relevant and effective. The project has been designed with a strong emphasis on cost-effectiveness, ensuring that every dollar invested in the project is utilised in the most efficient way possible (Fitzgerald, 2023).

The Rise & Shine ageing-in-place project has been designed to be flexible and adaptable, which means that it can evolve and change as circumstances shift and new challenges arise in the future. This adaptability is a key advantage of the project, as it ensures that it will remain relevant and effective in the long term. Overall, the Rise & Shine project is an excellent example of how innovative, community-led initiatives can make a real and lasting impact on people's lives. This report will discuss the results of a Social Return on Investment (SROI) evaluation and forecast analysis undertaken on K&DCCAI. This evaluation will measure the social, environmental, and economic value generated using the SROI methodology, which is an internationally recognised approach for comprehending and quantifying the impacts of a project from the perspective of stakeholders. A monetary value will be assigned to represent the outcomes experienced by stakeholders.

This report is divided into two parts. **Part 1** evaluates the social return on investment for K&DCCAI. The SROI calculation results show that K&DCCAI generates an aggregate social value of \$2,971,876.35 per year from an annual investment of \$736,607 (considering volunteers' hours of work, in-kind contributions, and contributions of various partners). This means that investing \$1 in K&DCCAI delivers \$17.81 of social value created each year for Kilkivan and surrounding areas in terms of reduced healthcare costs, reduced benefit costs, and increased taxes collected from increased income and economic activity. There are also intangible benefits, such as improved health and emotional well-being, better quality of life, positive contributions to the community, greater control and choice, economic well-being, and maintaining personal dignity and respect.

Part 2 explores the financial analysis of the "Rise and Shine Project ageing-in-place Project." This analysis forecasts the project's financial returns by calculating the Net Present Value (NPV) and the Internal Rate of Return (IRR). The NPV assesses the project's potential profitability and value creation, while the IRR measures the financial return on the investment.

The NPV calculation extends over 5 years with an initial investment estimated at \$6,520,000, including working capital of \$600,000. The discount rate used was the 10-year Australian Government Bonds rate of 4.30%. The revenue calculation was very conservative in line with the project's objective of providing an affordable alternative for the region's elderly.

The project has a positive NPV of \$2,505,652 and an IRR of 11.36%. This means that the initial investment will be fully recovered, and the project offers a return that exceeds the cost of capital (interest rate charged on funds). The project is viable whether it is funded by the government or private financial institutions such as banks. This is because the project's IRR of 11.36% exceeds the cost of

funding a commercial investment of 6.89% to 9.93% (SmartSearchFinance, 2024). These results suggest that the project is likely to generate returns that exceed the cost of investment, whether funded by the government or private financial institutions (private banks). Therefore, it is highly recommended to proceed with the "Rise and Shine ageing-in-place" project.

The project carries very low risk, as evidenced by the different scenarios presented during the sensitivity analysis. When tested with occupancy rates of 50%, 40%, and 30%, the NPVs are positive, and the IRRs are higher than the cost of funding of 4.3% in all three occupancy rates. However, if the occupancy rates drop below 50%, the private funding is no longer viable as the project's return is below the private funding cost of funds. Additionally, the project becomes unviable only when the cost of building increases by 30% for both government funding and private funding. Finally, the best scenario is presented when the total land value is donated to the project.

The risk analysis, conducted using different discount rates, also indicates that the project carries very low risk. The project yields a positive NPV when discount rates fall within the range of 4.3% to 10.5%. The NPV turns negative only when the discount rate exceeds 11.5%, which is confirmed by the internal rate of return (IRR) of 11.36% (the project's return). This outcome serves as confirmation that the project is viable, regardless of whether it is financed by the government at a cost of 4.3% or by the private financial sector at a commercial investment cost ranging from 6.89% to 9.93%.

The financial analysis indicates that the "Rise and Shine Project ageing-in-place" is feasible. The initial investment is expected to be recovered comfortably since the project carries minimal risks, especially if the land value is contributed to the project. The Social Return on Investment (SROI) suggests that every \$1 invested in K&DCCAI will produce \$17.81 in social value. This result indicates that the "Rise and Shine Project ageing-in-place, managed by K&DCCAI, will generate a significant aggregate social value for Kilkivan and surrounding areas.

1. Introduction

Purpose and objectives of the report.

This report uses Social Return on Investment (SROI) techniques to assess the social impact of K&DCCAI's care services for elderly residents in the Kilkivan, Goomeri, Tansey, and Woolooga districts. K&DCCAI's services focus on transportation (the KilkiVAN), improved coordination of in-home care packages, a community hub building, and accessible, inclusive rental accommodation.

The report will consist of two main sections. The initial part will focus on assessing the social impact of transportation and the coordination of in-home care packages by employing the Social Return on Investment (SROI) methodology. The second part will delve into a detailed analysis of the financial viability of various components, including a shared housing facility featuring 4-5 ensuite bedrooms, as well as 10 units of 2-bedroom and 5 units of 1-bedroom accommodations. This analysis will use the Net Present Value (NPV) and Internal Rate of Return (IRR) methods to determine the economic feasibility and potential returns of the proposed housing model.

Background

i. Overview K&DCCAI Rise and Shine Project

The concept of utilising and coordinating local resources to provide aged care can be a practical and comprehensive solution for older residents who don't require high-care services. By ensuring that any accommodation built is rented, not owned, potential occupants who require high-care services can be avoided. Loneliness, anxiety, physical and mental limitations, financial inadequacy, and mild dementia symptoms can affect older residents who feel isolated in their homes. However, if the only option for older residents is to go into care in distant areas, it can be detrimental to their health and lead to more costs for the public health system (Fitzgerald, 2023).

Prior to K&DCCAI's formation in Kilkivan, there were limited options for ageing residents. They could either stay independent but struggle with managing their large homes or farms or move into full care and leave their communities. Rental accommodations are also scarce. Additionally, a transition concept can be created to cater to the needs of the country's people, leveraging existing resources and providing a community hub for all ages. This concept can improve the overall mental health of Kilkivan's ageing population and their families (Fitzgerald, 2023).

Kilkivan, its wider district encompassing Goomeri, Tansey, and Woolooga, have a large proportion of the elderly population, and designing a viable concept for them is critical. Many elderly residents are independent and fit, and if they could maintain independence within a more supportive environment, they would remain out of the formal residential care system. The social networks of many elderly residents were established in their younger years, and they are involved in local organisations or groups that are not transferable to other communities. The mental health of all older local citizens will benefit if this entire project comes to fruition. The proposed design means that in the future, the hub and accommodation complex could be repurposed if required. Making the facility a place for multi-

generational interaction is considered vital, and the Kindy and P-10 Kilkivan Schools will be involved as much as possible (Fitzgerald, 2023).

The Rise and Shine project is more than just a name – it has historical connotations because Kilkivan township was previously known as Rise and Shine, named after a lucrative alluvial gold find. With a proven track record of developing visionary concepts, K&DCCAI is offering an exciting opportunity for the community and partners to come together and create a brighter future for all. This project has the power to positively impact the lives of both long-time residents and newcomers while also providing a much-needed boost to the local economy. K&DCCAI believes that It's time to uncover the gold in this idea and make it a reality!

The most critical aspects in designing a viable, ground-up concept for Kilkivan seem to be the following based on a report done by Fitzgerald (2023):

- a) There is a large cohort of elderly residents who are relatively independent and fit. If they could maintain their independence within a more structured and supportive environment, they might remain out of the formal residential care system. This would reduce the burden on the public purse and leave scarce places for those in greater need of specialised nursing care. However, higher levels of support cannot be assumed to be available from family and friends due to modern work patterns. The COVID-19 lockdowns heightened the isolation and discomfort felt by older residents due to the lack of physical family support.
- b) Many of Kilkivan's elderly residents have lived in the area for most of their lives and have developed social networks that are not easily transferable. They are involved in local organisations and groups that are unique to Kilkivan. Taking them out of the community would mean losing touch with their social interactions. Moreover, the drive to Gympie can be challenging, especially for the older generation, who are at an increased risk of accidents. Finally, the absence of public transportation means that those who can't drive are required to move to a residential care facility in another town.
- c) **the mental health of all older local citizens**, and actually that of all residents associated with that cohort or those hoping to remain lifelong in the local area, will benefit if this *entire* project comes to fruition. Its presence would ameliorate some of the stresses of ageing by being a viable option to which many would aspire!
- d) Kilkivan already has several established activities that can be coordinated to provide a vibrant social environment for residents. These activities include a Seniors Social Hub, community gardening, crafts, and exercise sessions. The Seniors Social Hub could be expanded to encourage wider community involvement. The recent purchase by K&DCCAI of the former catholic church means that it can be transformed into a community hub building to enable the inclusion of additional activities. Overall, the aim is to create a family-like, caring, and inclusive environment for all residents.

- e) Many elderly people often need companionship, security **and some help with daily tasks; however, many of them do not want to relinquish their independence for full care in one step.** The proposal is envisaged as a *transition arrangement* outside of the *Aged Care Act* that may provide the most cost-effective and appropriate level of care for many locals.
- f) The proposed design means that in the future the hub and accommodation complex could be re-purposed if required – short-stay public housing, etc.
- g) Making the facility a place for multi-generational interaction is considered vital. For this reason, the involvement of school-age kids such as Kindy and P-10 School will be crucial. Both facilities are within walking distance of the proposed accommodation and hub location on Church Street, Kilkivan.

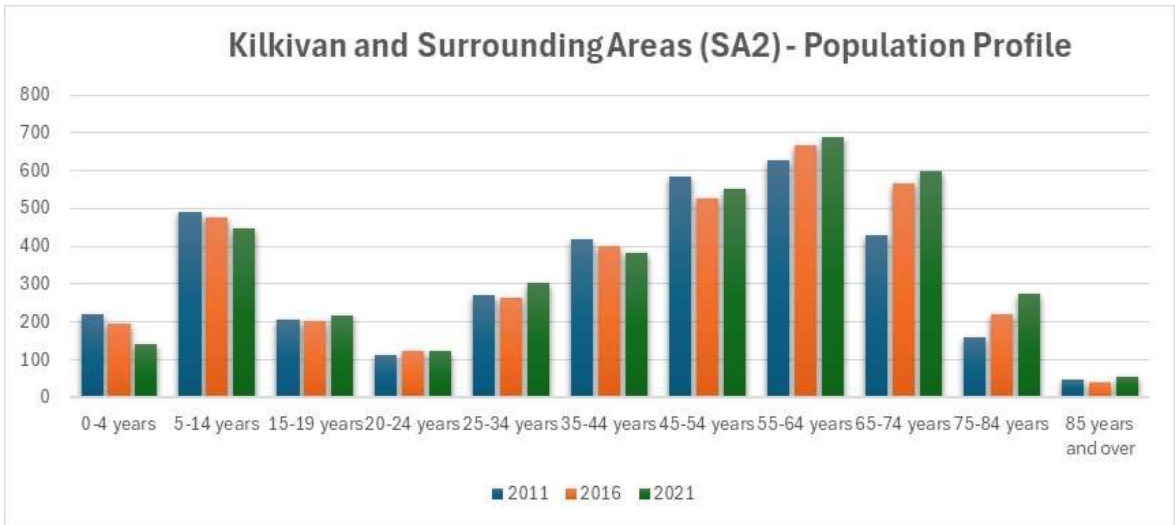
K&DCCAI has a proven track record of developing a compelling vision based on credible research and implementing it with the help of volunteers and one paid contractor. The Rise & Shine Project presents an exciting opportunity for the local community and Gympie Regional Council, as well as other agencies, to create a much-desired infrastructure development that could positively transform the lives of long-term and recent residents alike. This project has the potential to boost the local economy in numerous ways. It's a golden opportunity that's worth pursuing.

ii. Existing evidence on Aged Care Data

Australia, as the most advanced nation globally, is grappling with a growing number of senior citizens. This issue is especially challenging in the rural and remote parts of the country, as highlighted in the Aged Care Royal Commission. Due to inadequate healthcare facilities in these regions, many elderly residents often need to relocate to care facilities, leaving their loved ones and familiar surroundings behind. This has motivated the K&DCCAI President to advocate with health agencies or professionals to improve health support, resulting in the appointment of 2 part-time General Practitioners for the region.

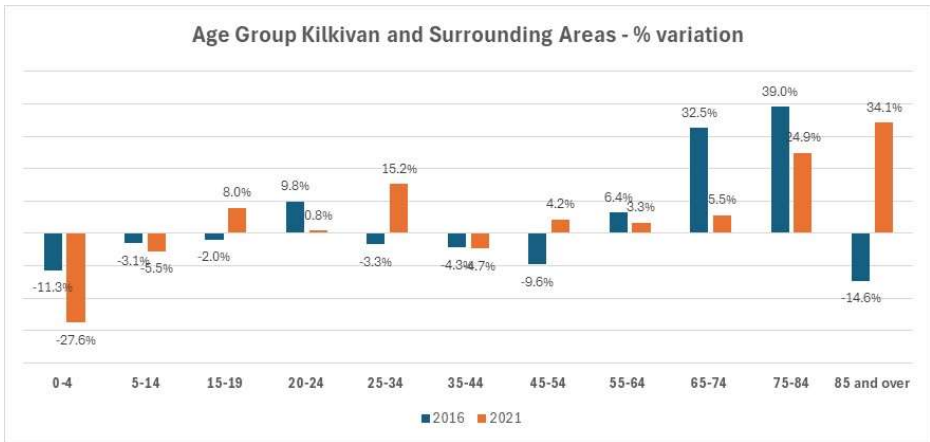
According to the latest population profile data for the region, it has been observed that Kilkivan and surrounding areas are experiencing an increase in the number of individuals approaching retirement age. The recent census data generated by the ABS reveals that over the past decade, the ageing population in Kilkivan and its surrounding areas has shown an upward trend. This trend is further substantiated by the fact that the number of people aged 65 years and over increased by 30.6% in 2016 and 12.1% in 2021. On the other hand, the younger population has experienced a decline in most age brackets. The ageing population trend is also evident in the latest data on government expenditure on health and aged care (ABS Census, 2021).

Figure 1



Source: ABS, Census 2021

Figure 2

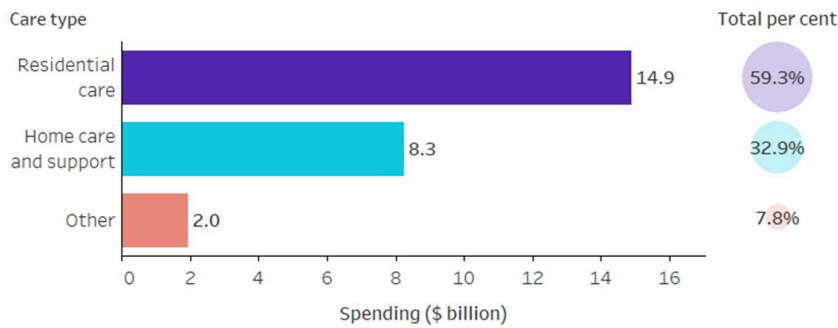


Source: ABS, Census 2021

Over the past five years, the Australian government has made significant changes to its spending patterns on aged care services. According to recent data, there has been a notable increase of 27% in government spending on aged care between 2017-18 and 2021-22. This spending has been distributed unevenly, with residential aged care receiving the highest proportion of this spending (59%), followed by home care (33%) and Others (7.8%), as per Figure 3. When looking at the specific types of aged care services, the government has increased its spending on flexible care by 39%, while residential care has seen an increase of 12%. These changes reflect a growing need for flexible care options that cater to the unique needs and preferences of elderly individuals (Aged Care Data, 2024).

Figure 3

Government spending on aged care services by spending type, 2021–22



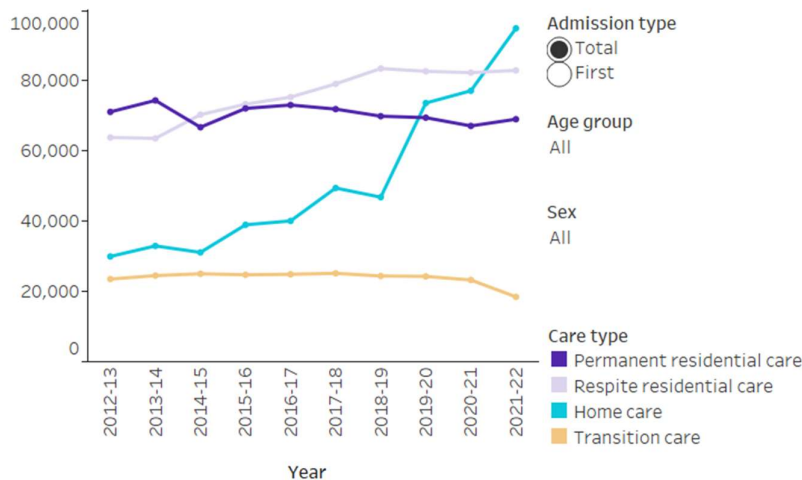
Source: Report on Government Services 2023: Part F, Section 14, Aged Care Services report.
 Note: Other care includes flexible care, workforce and quality, and ageing and service improvement, and assessment and information services.
 GEN-agedcaredata.gov.au

Despite permanent residential care being the largest area of government spending on aged care, recent data has shown a shift in care options since the onset of the COVID-19 pandemic. The number of admissions for home care has increased by an average of 28.3% over the last four years, with a significant increase of 57.2% since the pandemic began, as seen in Figure 4. On the other hand, admissions for permanent residential care have decreased by an average of -0.4% over the same period.

Figure 4

Total admissions to aged care services by sex (All) and age group (All), 2012–13 to 2021–22

Number of admissions



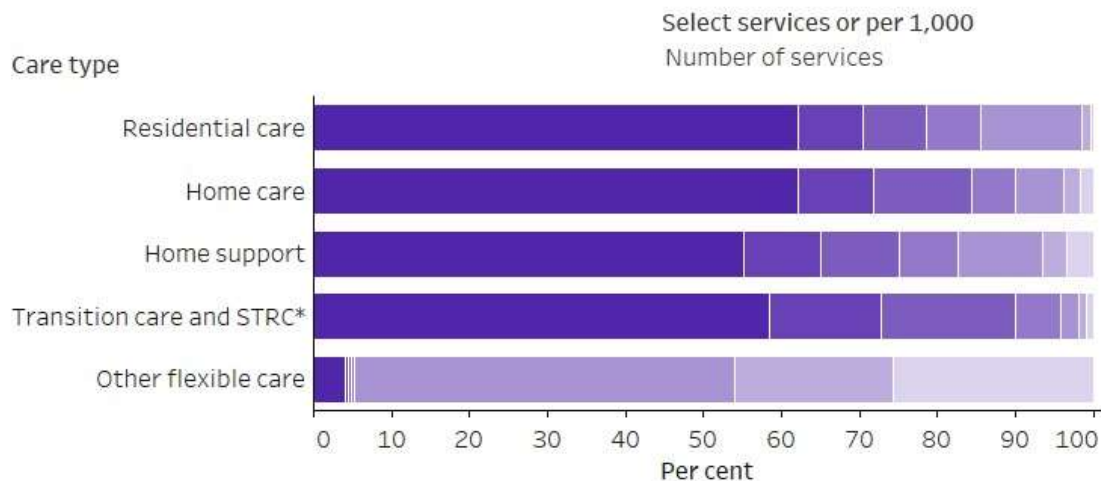
Notes:
 1. The way that entries into Home Care Packages were recorded changed from the introduction of the Increasing Choices reform on 27 February 2017. Prior to this date, an admission was recorded either when a person commenced a package overall, or when they changed level of package. From this date, an admission was only recorded when a person first commenced a package.
 2. Excludes unknown sex. Unknown age included in total.
 3. Due to differences in methods, counts may differ slightly to previous years and to those published in the Aged Care Data Snapshot.
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When looking at data based on care type and remoteness (as shown in Figure 5), an interesting trend emerges. The flexible care option appears to be more prevalent in small rural and remote areas than in urban regions. This observation is further reinforced by the fact that 46% of the flexible care services are located in remote and very remote areas. This could be attributed to the limited access to

healthcare services in such areas, necessitating a greater need for more flexible care options. Additionally, the availability of more space and resources in rural areas could make it easier to establish and manage flexible care services. The high occupancy rates in aged care facilities indicate a clear demand for more such facilities (Aged Care Data, 2024).

Figure 5

Number of services by care type and remoteness, 30 June 2022



Remoteness (MM)

- 1 – Metropolitan
- 2 – Regional centres
- 3 – Large rural towns
- 4 – Medium rural towns
- 5 – Small rural towns
- 6 – Remote
- 7 – Very remote

*Transition care and short-term restorative care.

Notes:

1. Home support is measured over 2021-22.
2. Other flexible care includes Innovative care program, Multi-purpose services and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP).
3. Counts of home care services differ slightly from those reported in the Aged Care Data Snapshot and Aged Care Service List. Estimates presented here have been calculated without reference to aged care services claims data.
4. A target population of all people aged 70+ was used for these calculations to align with Australian Government planning ratios.

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It's worth noting that there is a growing demand for care services is supported by the latest occupancy rate figures, which show that in Queensland, the occupancy rate for aged care services has increased by 1% from 2020-21 to 88.0% in 2021-22. However, it's interesting to observe that while there has been a consistent decline in the occupancy rate of government-provided aged care services in the last 5 years, the For-profit occupancy rate has slightly increased to 84.5% in 2021-22 from 84.2% in 2020-21 (Aged care data, 2024).

2. Social Return on Investment (SROI) – Evaluation of K&DCCAI

The SROI methodology has emerged as a tool to assess the impact of social projects on their stakeholders. It evaluates the impact of activities by **identifying the link between them and the outcomes experienced by stakeholders** instead of just measuring the number of people served. This technique is gaining popularity internationally and is being widely used to measure the social value created by community aged care services and other such projects (Net Balance, 2014; NEF, 2012).

The **SROI evaluation is conducted retrospectively based on actual outcomes that have already taken place**. In contrast, **the forecast predicts the social value that will be created if the activities meet their intended outcomes**. Monetary values are assigned to the outcomes experienced by stakeholders, which are then compared to the investment required to generate those outcomes. This comparison provides an indication of the project's cost-effectiveness (NEF, 2012).

By putting social, economic, and environmental impact into a language that is widely understood by investors and decision-makers, SROI has become an effective way to communicate the value of social projects to a wider audience. Thus, it facilitates better decision-making and encourages greater investment in projects that generate positive social, economic, and environmental outcomes (Net Balance, 2014)(NEF, 2012).

This report evaluates the social return on investment (SROI) for K&DCCAI, which is a **comprehensive cost-benefit analysis approach**. It is commonly used by public sector organisations to determine whether the project's benefits outweigh its costs.

2.1 Scope and Stakeholders

i. Scope

The Rise and Shine Kilkivan community aged care is a vital lifeline for elderly residents living in the Kilkivan, Goomeri, and Woolooga areas. This exceptional service provides comprehensive coordination of care across all four levels, including healthcare assistance, meal delivery, social activities, transportation, counselling, and home maintenance. The service aims to cater to the specific needs of individuals aged 65 and above who are facing unique challenges such as living alone, mobility issues, and cognitive impairments, including dementia. With its dedicated and compassionate team of caregivers, Rise and Shine Kilkivan community aged care ensures that elderly residents receive the highest quality of care, support, and attention they deserve.

ii. Stakeholders

This project is dedicated to providing support and assistance to individuals aged 65 and above who rely on this service to maintain their independence, improve their quality of life, and access vital support. The beneficiaries of this project are not just limited to the elderly residents but also include their families, caregivers, and healthcare professionals who provide medical care, therapy, and other essential services.

The volunteers involved in this initiative play a crucial role by lending their time and expertise, such as providing transportation, delivering meals, publishing a free newsletter, and organising social and recreational activities.

Several stakeholders, such as Trilogy Care and Mable, have partnered with K&DCCAI to make this project successful. The support from local authorities and the federal government will be vital to ensure that the project has the necessary funding to operate smoothly. Some of the stakeholders involved in this project include the regional and national mental health care systems.

2.2 Outcomes and Evidence

Identifying Stakeholders and Material Outcomes – Stages 1, 2, and 3 (See Appendix A1)

During the project's planning phase, the stakeholders were identified through a consultative approach that involved volunteers, QUT research on “Rural ageing in Kilkivan,” various reports, and community letters. Although several stakeholders were involved, only those whose outcomes had the most significant impact were included in the planning process.

Stakeholders

A stakeholder is a person/group that uses the service or provides the service.

- **Senior’s Social Club** users around 40 people (elderly residents and families) the cost for the participants is a gold coin donation.
 - o **Intended Benefit**
 - Social connectivity—reduce loneliness for the participants. To value the estimated benefits, a financial proxy was used. For instance, to compare the benefits of the social club, the financial proxy used was the cost of the best alternative available to the users. In this case, it was found that the membership cost for Gympie RSL was a closer substitute.
 - Education and awareness-raising topics relevant to seniors that help the elderly manage their health better. It is estimated that this will reduce GP visits by 20. The financial proxy used to measure the savings to the health system was the cost of a GP visit.
 - The elderly and families made new friends and spent more time with others enjoying group activities. This is assumed to reduce therapy sessions by 10. The saving in therapy sessions was measured using the cost of a therapy session.
 - o **Unintended Benefit**
 - Increase general health, which will reduce hospital intakes, shorten stays, and reduce rehabilitation costs. The number of elderly that would improve general health and free up hospital and rehabilitation is estimated to be 5 (based on stakeholder consultation). The proxy used to measure the value of saving to the health system is the cost of Hospital intakes per person for Gympie Hospital.
 - Increase awareness about physical health to avoid falls; the estimated reduction in cases is 5. The proxy used was the average cost of a hip fracture to Queensland Health, including rehabilitation costs.
- **Elderly residents who receive home care services and food deliveries.** The food delivery program caters to 3-6 people per year. The recipients of the food purchase the items themselves and pay for the delivery to Gympie. However, the delivery from Gympie to the recipients is free of charge, thanks to the volunteers.
 - o **Intended benefit**

- Access to nutritious food for residents with dementia and limited mobility.
 - People not able to leave the house have access to food.
 - **Unintended benefit**
 - People don't need to leave the house and risk falls or travel far to purchase food and receive care services/products.
- **KilkiVAN is a transportation service** that offers cost-effective transport/trips. However, it incurs costs for petrol and maintenance in addition to insurance, accreditation fees, and garage costs. The service is operated by five volunteer drivers and five trip coordinators and can accommodate up to 10 people at a time. The investment required for the service includes the costs of petrol, volunteers, and maintenance. To determine the value of the service and how much a similar service would cost, the proxies used were a door-to-door transport service and the cost of a day trip per person (which lasts 4 hours) and 4 trips in a year.
 - **Intended benefit**
 - Social connectivity and tourism opportunities to places many would never get to go.
 - Get transfer door to door to places around town for appointments and to the social venues.
 - **Unintended benefit**
 - Increased physical and brain activity reduces non-communicable diseases (NCDs) and health improvement.
- **Elderly residents' families participate in Bingo** with around 40 people. The activity costs \$20 and is held once a month. The value change is estimated by using the cost of a Gympie RSL membership.
 - **Intended benefit**
 - Social connectivity – feeling less isolated
 - Raises the profile of the Rise and Shine Project
 - Allows a fun and cost-effective night out for people of any age
 - **Unintended benefit**
 - Less visit to the Psychologist/Therapist
 - The brain activity help delay dementia
- **Elderly residents with Home Care Packages:** There are 29 residents serviced in the region.
 - **Intended benefit**
 - Elderly residents stay in the local community with familiar surroundings and people.
 - Families don't need to travel long distances to visit.
 - **Unintended benefit**
 - The elderly residents live longer.
 - Reduce/delay the development of dementia.
 - They can support local communities by volunteering at the local school/kindergarten to read to the kids.
 - The families have peace of mind knowing that their relatives are well cared for and can see each other more often.

- **The government** has achieved cost savings in residential aged care for 33 individuals through the coordination of the HCP (Home Care Packages). This initiative is expected to alleviate the high occupancy rate that the aged care industry currently faces. The savings in government aged care costs were determined by calculating the cost of residential aged care per person to the government.
 - o **Intended benefit**
 - Reduction in Aged Care residential admission.
 - Saving for the Government in aged care expenses and general health costs.
 - o **Unintended benefit**
 - When the unemployment rate goes down, several positive effects on the economy occur. First, the number of people employed rises. Second, as more people start earning, the government receives a higher amount of income tax revenue. Finally, with fewer people claiming unemployment benefits, the government's expenses related to such payments go down.
- **Partner organisations** Mable and Trilogy Care are two organizations that help facilitate Home Care Packages to residents in the region. Currently, they are providing their services to 33 people, with 9 of them receiving level 1 care, 14 people receiving level 2 care, 9 people receiving level 3 care, and 1 person receiving level 4 support. The cost of the service is calculated by multiplying the cost of each level with the respective number of people receiving that level of care.
 - o **Intended benefit**
 - Increased employment in the community.
 - Elderly residents receive good care.
 - The residents stay in familiar surroundings.
 - o **Unintended benefit**
 - Part of the money spent on the HCP is spent locally, thus increasing the local business activity.
 - There are more job opportunities for the local residents.
- When money is spent locally, **local businesses** benefit from increasing economic value. The ML3 Local Multiplier 3 is used to calculate this value based on the Australian economy's multiplier, which ranges from 0.8-1.

The stakeholders and the associated outcomes were analysed as part of the SROI evaluation for K&DCCAI.

Stakeholders	Value Quantified
Senior's Social Hub users	Social value created
Elderly residents who use the services	Social Value Created
Elderly residents' families	Social value created
Volunteers	Social value created/Economic cost avoided

Partner organisations	Social value created
Government	Health costs avoided
Local Business	Economic value created
Home Care Packages – workers	Economic value is created, and employment opportunities arise.

The most valuable Rise & Shine activity was the coordination with the HCP in the region, which resulted in an increase in value after an investment of \$665,220 by the HCP recipients. This value is in the form of Government savings in Residential Aged Care costs for an estimated 20 people, which amounts to \$137,373. As a result, an additional 15 jobs were created, representing an annual income of \$858,000, of which it is assumed that 50% was spent in the local economy, at around \$429,000. This level of spending resulted in an increase in local economic activity of \$343,200. The increase in the local economy was calculated using a government investment multiplier of 0.8. The multiplier is the number of times a \$1 spent in the economy increases the economic activity (See Appendix A1).

After observing the change in value, it can be concluded that there are several positive factors, both tangible and intangible, that can enhance the overall well-being of the community. One important factor is allowing elderly residents to remain in their communities, surrounded by familiar environments and faces. This can significantly contribute to their happiness and the overall prosperity of the community. This conclusion is further supported by research conducted by QUT academics on rural aging in Kilkivan and surrounding areas.

Stakeholder Consultation

In the research conducted by QUT and prepared by Beatson and Gottlieb (2021), they interviewed 47 locals from Kilkivan; where they asked the following questions which were extracted from Rural Ageing in Kilkivan;

What does Kilkivan and the area mean to you?

There was an overwhelming feeling from the participants that Kilkivan was home. The participants identified the landscape and the people as contributing to this feeling of being home. This was evident for those participants who had lived in Kilkivan for most of their lives and also for those that were relatively new to the area.

”It’s a place we want to be in. It’s, at this stage of our lives, because we’ve moved around a lot, we found Kilkivan and I think this is the place where we’ve settled down and we’re happy here, we’ve made friends. It’s very dear to us, Kilkivan.”

F, approximately 30 years in Kilkivan

“But certainly... Well, I suppose we’re looking for that sense of community. Not a lot of people, small town, self-sufficient to a large degree if you can help it. And obviously locality is quite important, so that’s sort of what it means to me, I think. That sense of community. It’s the biggest part.”

M, approximately a year in Kilkivan

“The area means everything, absolutely everything. Life, work, living. That's the area. It is an absolutely beautiful area because we are working here, we're living here. Most of us hate the big smoke, even the big smoke at Gympie, because the environment changes terribly from here to Gympie. Yeah, and so we have this peculiar thing that we call the bush, and it's just part of us. You feel part of this country, part of that land out there. Yeah.”

M, approximately 22 years in Kilkivan

“I think it's just, it's in you. And sometimes it can be brought out through necessity, like city people that just want a tree change. Because they're burned out and they've been on holidays and traveled through some little country town and they think, "Oh this is beautiful, I want to come back here." And often that's the way it happens. And then they get into the swing of that little town's lifestyle and get to know more and more people. They rejuvenate themselves. I think the country just does something to you. Country living does something to you that you don't find in the cities.”

F, approximately 14 years in Kilkivan

“I think just the friendliness and the acceptance and the interest”

F, approximately 20 years in Kilkivan

“I think it's the people that make it.”

F, approximately 55 years in Kilkivan

“In part, it's the place where we live, but then it's the neighbours we have, and it's the people we know and care for in the town too”.

F, approximately 6 years in Kilkivan

“I moved from the city, so it's home. And it's the best home I've had because of the land, and I've never actually been on the land, or done and grown vegetables or anything like that, or lived in a rural area. I absolutely love it. So I've found somewhere that I'll be able to retire in, for the first time in my life, and feel comfortable doing that.”

F, less than a year in Kilkivan

“No, I just think it's the more laid back type of people that live around here. Just where they genuinely care for other people who are around them. And I don't know, they bother. I suppose that's a funny word to use, but they bother to get to know who people are and a little bit about them without going into their personal, deep and meaningful lives.” F, approximately 4 years in Kilkivan

How dependent do you feel on Kilkivan for your well-being?

There was general consensus from the participants about the importance of Kilkivan for wellbeing. The scenery, peacefulness and other physical environmental factors were mentioned as well as the friendliness of the community and the removal of stress and time pressures from life.

“It certainly contributes to my day-to-day wellbeing, but it doesn't contribute to my overall wellbeing. It will keep me healthy and well because I don't worry about a lot, and it's a peaceful place, as I've said before. And when you can feel that, and you can relax properly, that's good for you.”

M, approximately 8 years in Kilkivan

“Psychologically pretty good. Once again, not having that stress of Sydney living, traffic lights, driving. I can drive here to Gympie in less time than I can drive just three or four kilometers in Brisbane. No traffic lights. So that's definitely got to be stress related or not having the stress primarily.”

M, approximately 13 years in Kilkivan

“Yes, yes, you do things when you can, that type of thing, you don't have to run to the clock all the time.”

M, approximately 35 years in Kilkivan

“Oh, quite a lot. Yeah. Quite a bit. ... If it gets too much then we're, "Okay, let's go and see who's at the hotel, so we go down to the hotel, have a meal, have a chat and then go home.”

F, approximately 20 years in Kilkivan

“We go to Widgee, we go to Kilkivan, there's a triangle there, and that is our life. That is our life and it's all wonderful because all those people are nearly all farmers, and we have so much in common. So we just all feel part of it. Yeah.”

M, approximately 22 years in Kilkivan

If you moved from Kilkivan what would that do to you? What would you lose?

There was a strong sense of loss in the idea of moving away from Kilkivan. A focus was on the loss of friendships. But there was also a realisation that often moving away was required for health and ageing reasons.

“They'd have to drag me out kicking and screaming. I don't know really. Other memories of that property. Probably memories of all the fun time well, the happy times I've had.” F,
approximately 5 years in Kilkivan

“Wonderful friendships. A sense of belonging. Where you've planted your heart. Just the familiarity of, "This is my home." And I'm talking about the Kilkivan area. It would be awful to lose that. I'm saying, the way things are now, [husband's name] and I know that we'll have to leave Kilkivan because we don't have anyone. We don't have family to care for us if it comes to that. He's got bladder cancer and he's my carer because I lose my breath so easily. I'm regarded now as an invalid. Can't believe it, she who is always busy. It happens. Age is a horrible horrible. We joke about it but it's a mongrel. It's horrible

F, approximately 15 years in Kilkivan

“I don't want to leave, because where would I go? I don't want to leave. I don't want to not take anything. Where would I go from here that... It's funny, isn't it? Where would I go from here when I've been in the city and everywhere else and this is better, so why would I leave here to go back to somewhere that's not as good?”

F, approximately 2 years in Kilkivan

“I don't know really know. I've still good country values here. That would be missed. And knowing if you needed a hand, someone is there for you. But then again, that is part of the country as well... everyone's got your back. And everyone looks after you and keeps an eye on your place for you...I've had trouble with cattle or something getting out or fencing. I've been able to ring. People just come straight over. So it's that family feeling, I suppose.” F, approximately 30 years in Kilkivan

What would make the biggest positive difference to your daily life at the moment?

There was a lot of discussion around the requirements for health services and also for retirement living. There was concern that as people age, they would have to move away for increased care levels.

“The health services here. They're limited. Doctors, limited wound care. Elderly skin's so fragile. And there's probably a lot of people out here with wounds that should be dressed more frequently than they're getting dressed, or they're trying to do them at home. And then they're turning into ulcers because they're not getting tended to properly. Things like that.” F, approximately 7 years in Kilkivan

“They need an ambulance here, that would be handy. Probably an old people's home. Other than that, maybe a bigger mini supermarkets sort of thing would be handy too”

F, approximately 5 years in Kilkivan

“I think we need, ... to have a home where you can ... If you get crook, you can go to that home that is in the same environment that you're living in. You can stay there for a day, or a week, whatever, and be looked after and not charged by a wounded bull, and I think that's it. Run by, probably, volunteers, with one or two professionals, that want to look after people.”

M, approximately 22 years in Kilkivan

“So as a community, supporting a community, we don't have the people, the time, the space for that. So for me, there needs to be active, paid services in town to be able to support that. I don't think we need the full healthcare services, 24 hours a day, everything else, but we need to

have the community paid aspect of being able to get these people to one from whenever they need.”

F, approximately 4 years in Kilkivan

“I was thinking if there was a bus service, only two days a week or something like that, for people that require that type of thing to go into Gympie in the morning, do their little shopping and then come home in the afternoon. That type of thing. Because some of the things you need you can't get here. So they've got to get out of town to get them.” M, approximately 18 years in Kilkivan

The community within and around Kilkivan has shown remarkable support for one another, fostering strong connections between location and well-being. Participants have expressed their deep attachment to the area and their desire to continue living there. However, like many other rural areas across Australia, there is a lack of access to healthcare, accommodation option that suits the needs of the ageing population, and transportation continue to be a major concern. It is essential to address these challenges so that residents can age in place and have access to the care they need.

Overwhelmingly, 76% of participants expressed their support for the idea of a group home or rental unit that would allow them to stay in Kilkivan as they age (Beatson and Gottlieb, 2021). This highlights the potential for innovative solutions to meet the needs of rural communities and ensure that they thrive. It is crucial to acknowledge the social value that can be created for the HCP by supporting the idea of ageing-in-place. Allowing the elderly to remain in their own homes will help them maintain their independence and dignity while also reducing healthcare costs. Moreover, taking this path can pave the way for a better future for Kilkivan and its surrounding areas.

To extend this service, it's essential to build homes that foster aged living. These homes should be designed to meet the unique needs of the elderly, such as incorporating features that enhance accessibility and safety. Additionally, providing communal spaces and social activities can help reduce social isolation and promote overall well-being.

In conclusion, a detailed approach to ageing in place can provide a truly fulfilling experience for the elderly while also benefiting the community as a whole.

2.3 Impact

In the following section, a detailed analysis of the impact of each activity or service rendered by the organisation will be analysed. This analysis will entail a thorough assessment of whether the outcome resulted solely from the activity of the organisation or whether other factors were also at play. To calculate the impact accurately, various parameters such as deadweight or displacement, attribution, and drop-off rate will be considered.

Deadweight refers to the percentage of the outcome that would have occurred anyway, irrespective of the organisation's activity.

Attribution, on the other hand, refers to the percentage of the outcome that may have been influenced by the activity of another organisation or individual in our impact analysis. This attribution will help us understand the organisation's role in the outcome and its impact.

Finally, the **drop-off** rate of the outcome will be included. This parameter will help us identify what portion of the outcome may not happen anymore in the future. By factoring in this parameter, the long-term impact of the organisation's activities and services will be considered.

Overall, this detailed analysis of the impact of each activity or service will help us accurately assess the organisation's contribution to the desired outcomes. Table 1 displays the estimated percentage assigned to each activity based on the available resources for this report. However, it would be beneficial to collect data on each activity and the contribution of different entities to improve the accuracy of this estimation.

The Health Care Program (HCP) has a significant impact on various sectors, the local economy, the labour market, and the government. According to the analysis, a \$665,220 investment generates an impact of \$2,595,545. This suggests that K&DCCAI should consider expanding these services.

Table 1 shows the activities and their % of deadweight, attribution, and drop-off.

Table 1 - Impact calculation

Stage 1	Stage 2	Stage 4			
Stakeholders	The Outcomes	Deadweight	Attribution	Drop Off	Impact
	Description	%	%	%	
Who do we have an effect on?	How would you describe the change?	Outcome that happen without KDCCAI	How much the outcome was caused by the contribution of other organisations or people.	Does the outcome drop off in future years?	Quantity times financial proxy, less deadweight, drop off and attribution
Elderly residents and their families. (Activity: Senior social club)	Social connectivity; education & -	0%	0%	0%	4,500.00
	The education and awareness helped the elderly to manage health better.	10%	20%	0%	25,200
	The elderly and families made new friends and spent more time with others enjoying group activities.	10%	20%	0%	8,400
	Increase general health	30%	30%	0%	61,105
Meals Delivery recipients	Increase awareness about physical health to avoid falls.	20%	45%	0%	131,250
	Improve general health	20%	45%	0%	19,247
	Reduce falls staying in the house	20%	45%	0%	47,250
Volunteers, elderly residents, friends and families (Activity Bingo)	Residents that are not able to drive or leave the house have access to nutritious meals.	20%	45%	0%	3,780
	Social connectivity; raises the profile of our Rise & Shine Project across the target area; allows a relatively cheap night out for people of any age (we have young kids through to a 95 year old player)	0%	0%	0%	3,600.00
Newsletter recipients - Kilkivan & District KICKSTART	Social connectivity and local awareness. Provides event information for organizations, exposure for local businesses, and important health service details.	0%	0%	0%	1,000.00
Elderly residents and Volunteer drivers (KilkiVAN)	Social connectivity; raises the profile of our Rise & Shine Project across the target area; allows a relatively cheap night out for people of any age (we have young kids through to a 95 year old player)	0%	0%	0%	72,000
Elderly residents (HCP)	Saving travel time and cost of being able to access services locally	20%	50%	0%	10,440
Government	Reduce government cost in residential age care	20%	50%	0%	1,195,145
Mable and Trilogy Workers	Increase local jobs/incomes	38%	50%	0%	772,200
Local Businesses	Increase local economy	38%	50%	0%	617,760
TOTAL					2,972,876.35

2.4 Social Return on Investment (SROI) Calculation

The SROI (Social Return on Investment) calculation is a useful tool to evaluate the social value of an investment. In the case of K&DCCAI, a five-year SROI calculation was performed to assess the impact of their activities. The total value created from an initial investment of \$759,972 607 (considering volunteers' hours of work, in-kind contributions, and contributions of various partners) amounted to \$2,972,876.35. Using the 10-year government bond rate as a discount rate, all values were brought to the present value, resulting in a total Present value of \$13,123,915.35. The Net Present Value (Total Present Value – Total Investment) was \$12,363,942.95, which indicates a significant positive social impact generated by K&DCCAI. The SROI ratio (Total Present Value/Total Investment) was 17.27, meaning that investing \$1 in this project delivers \$17.27 of social value created each year.

The SROI calculation for K&DCCAI generates an aggregate social value of \$2,972,876.35 per year. This value includes not only quantifiable economic benefits, such as reduced healthcare costs, reduced benefit costs, and increased taxes collected but also intangible benefits. These intangible benefits constitute an improved quality of life, better physical and emotional well-being, positive contributions to the community, greater control and choice, economic well-being, and maintaining personal dignity and respect.

Overall, the SROI calculation for K&DCCAI demonstrates that investing in this project generates substantial social value and a positive impact on society.

3. Financial Project Evaluation - Rise and Shine Ageing-in-place.

3.1 Net Present Value (NPV) and Internal Rate of Return (IRR) – Rise and Shine Ageing-in-place.

A financial feasibility report was prepared for the Rise and Shine ageing in-place Project using the capital budgeting techniques of Net Present Value (NPV) and Internal Rate of Return (IRR). The NPV helps in determining whether the investment made today will generate enough revenue in the future to stand by itself and pay back the initial investment. It helps in determining the value of the money invested today and whether it is worth getting into the project in the first place. On the other hand, the IRR helps in determining the project's potential return..

3.2 The project's assumptions are as follows:

- The Reserve Bank of Australia predicts that inflation will fall to 3% by 2025 and remain at 3% for the rest of the years considered in the project.
- The discount rate used is the Government 10-year bond rate of 4.3%. The rate has been showing a decreasing trend lately. It could be assumed that this rate will tend to decrease in the future as the inflation rate is expected to decrease as well.
- Initial Investment has a total of \$6,520,000, including land and building.
- The project under consideration has a lifespan of more than 5 years, but a feasibility report has been prepared for a 5-year analysis period. To account for this, a salvage (Sale value after 5 years) of \$5,016,100 has been calculated at the end of the analysis period. The gain on sale of \$976,615. It is worth noting that this is a conservative estimate for a project of this nature. In Australia, a building typically has a lifespan of 40 years. However, the feasibility report for this project has been prepared based on a 5-year timeframe, with the assumption that the project will continue beyond the initial 5 years.
- **Income** is adjusted by the estimated annual inflation rate.
 - Share Housing Facility – 5 bedrooms, 1 bed will be used for a short stay and charged daily a fee of \$250.
 - 10 x2 bedroom units and 5 x1 units– the affordable rent is estimated to be 25% below market average rent for the same size accommodation.
- The building depreciation was a straight line, and the life of the building was 40 years (usually the life of a building, according to the ATO).

- **The Operating costs (OC):** Fixed and variable costs are increased annually by the inflation rate. The variable cost accounts for two staff members 24/7 for nighttime and some administrative work, while the rest of the services will be sourced from partner organisations such as Mable and Trilogy. The fixed cost includes maintenance costs and services (electricity, water, and Communications for the 5 bedrooms community hub)
- No Tax is assumed for this project.
- The Net working capital estimated is \$600,000 – this amount will be needed for civil works to start the project. The working capital is returned to the project at the end of 5 years (standard procedure for NPV calculation).
- Annual Marketing and outreach is \$5,000 (more funds could be drawn from fixed costs)

3.3 NPV and IRR Results Discussion

A financial feasibility analysis was conducted for the "Rise and Shine" ageing-in-place project, which indicates that the project is financially feasible. The project has a positive Net Present Value (NPV) of \$2,505,652. The Internal Rate of Return (IRR) of the project is 11.36%, which is higher than the cost of government funds (the rate for 10-year government bonds) and private financial costs. These results suggest that the project is likely to generate returns that exceed the cost of investment. Based on this comprehensive financial analysis, it is highly recommended to pursue the "Rise and Shine" project (See Appendix A2).

3.4 Sensitivity analysis

The project underwent a sensitivity analysis to evaluate its potential risks and opportunities. The analysis covered three different scenarios. In the first scenario, different occupancy rates were assumed. The project is not very sensitive to changes in the occupancy rate; the NPV is still positive, and the IRR falls below the cost of capital after the occupancy rates drop to 30%. However, the drop in occupancy rates is unlikely based on the region's population structure which shows a growing demand for additional care facilities due to a higher proportion of aged people living in the region.

In the second hypothetical scenario, the cost of building increases. If the building cost increases by 30%, the NPV turns negative, and the IRR falls below the cost of capital. However, this scenario is also unlikely as there is an increase in spare capacity in the construction sector due to decreasing private sector investment, led by the decrease in the construction of new dwellings (RBA, 2024).

The third scenario, which is the best case, assumes that the land is donated to the project. In this scenario, the NPV is \$3,718,154, and the IRR is 15.2%. The sensitivity analysis indicates that the project carries very low risk, and it is recommended that the project proceed.

Base Scenario - Most likely		
NPV	Original Calculation	IRR
2,505,652		11.36%
Scenario 1 - Worse Case		
NPV	Occupancy rate	IRR
1,186,422	50%	7.64%
922,576	40%	6.89%
658,730	30%	6.15%
Scenario 2 - Worse Case		
NPV	Building Cost Increase	IRR
489,436	20%	5.6%
(518,672)	30%	2.9%
Scenario 3 - Best case		
NPV	Land value - donated	IRR
3,718,154	700,000.00	15.2%

The project risk analysis, conducted using different discount rates, indicates that the project carries very low risk. The NPV calculations depicted in Figure 6 reveal that the project yields a positive NPV when discount rates fall within the range of 4.3% to 10.5%. The NPV turns negative only when the discount rate exceeds 11.5%, which is confirmed by the internal rate of return (IRR) of 11.36% (the project's return). This outcome serves as confirmation that the project is viable, regardless of whether it is financed by the government at a cost of 4.3% or by the private financial sector at a commercial investment cost ranging from 6.89% to 9.93%.

Figure 6



4. Conclusion and Recommendations

Residents of Kilkivan have a strong sense of community and attachment to their area. However, lack of access to healthcare and transportation is a major concern that needs to be addressed for residents to receive the care they need and age in place. According to research conducted by QUT and prepared by Beatson and Gottlieb (2021), 76% of participants supported the idea of a group home or rental unit in Kilkivan, allowing them to age in place. The SROI result shows that K&DCCAI creates the most value through HCP by maintaining the elderly's independence, reducing healthcare costs, and paving the way for a better future for Kilkivan and its surroundings. The Rise and Shine project will increase economic activity, reduce unemployment, and improve housing availability by freeing up single-occupant houses into the market. Building homes that foster ageing living designed to meet the unique needs of the elderly, such as incorporating features that enhance accessibility and safety. Additionally, providing communal spaces and social activities can help reduce social isolation and promote overall well-being.

The financial analysis that looks into the NPV and IRR for a project that proposed alternative housing for elderly residents is promising, showing a positive NPV of \$2,505,652 and an IRR of 11.36%, which is higher than the cost of government funds and private financial institutions (Banks) costs. These results suggest that the project is likely to generate returns that exceed the cost of investment. Therefore, it is highly recommended that the "Rise and Shine ageing-in-place" project go ahead.

While the SROI that evaluates K&DCCAI activities shows that this organisation generates an aggregate social value of \$2,972,876.35 per year. This means that investing \$1 in this project delivers \$17.27 of social value created each year for society in terms of reduced healthcare costs, reduced benefit costs, and increased taxes collected. There are also intangible benefits, such as improved health and emotional well-being, better quality of life, positive contributions to the community, greater control and choice, economic well-being, and maintaining personal dignity and respect.

The high social value created by K&DCCAI and a financially viable project for "Rise and Shine ageing-in-place" suggest that every \$1 invested in this social project will generate a social impact of \$17.27 in tangible and intangible benefits.

The recommendation for K&DCCAI is to focus on data collection by conducting regular feedback and short surveys. This will facilitate the estimation of SROI and ultimately improve the organisation's focus on activities that have the highest impact on the community. Reassessing the organisation's services and expanding on the ones that are creating the most social value should be a regular practice. Together, we can create a better future for all.

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APPENDICES

A.1 SOCIAL RETURN ON INVESTMENT CALCULATION

Scope	Activity Contract/Funding/Part of Organisation	KDCAI			
Stage 1		Stage 2			
Stakeholders	Intended/unintended changes	Inputs Description	Value \$	Outputs Summary of Activity in numbers	The Outcomes Description
Who do we have an effect on?	What do we think will change for them?	What do they invest?			How would you describe the change?
Elderly residents and their families.	Increase in social connectivity is linked to reduction in mental health, depression, and loneliness. Residents get out of their houses more Feeling less isolated Social connections	Time and gold coin donations (\$3)	1,080	Senior's Social Club: group activity for about 40 people.	Social connectivity, education & awareness raising re topics relevant to seniors. The education and awareness helped the elderly to manage health better. The elderly and families made new friends and spent more time with others enjoying group activities. Increase general health Increase awareness about physical health to avoid falls.
Meals Delivery recipients	Residents provided with nutritious meals	2 Volunteers' time (8hrs x cost of volunteers) to deliver the meals and residents once a month (cost of groceries per week for one person \$150)	29,631	Provide 3-6 people with meals per month.	Access to nutritious food for residents with dementia and disabled.
Volunteers, elderly residents, friends and families	Increased social connectivity and brain activity.	Volunteers' time (Cost)/participants \$20 each once a month.	11,158	Bingo for 43 people	Social connectivity; raises the profile of our Rise & Shine Project across the target area; allows a relatively cheap night out for people of any age (we have young kids through to a 95 year old player)
Newsletter recipients - Kilkivan & District KICKSTART	Social connectivity/awareness of local news that matters for the region residents. Local business exposures and vital information about health services available for the region.	3xVolunteers' time (30hrs per Newsletter (all cost associated), paper/printing cost and distribution.	23,366	Newsletter printed/digital - 300 people on average	Social connectivity and local awareness. Provides event information for organizations, exposure for local businesses, and important health service details.
Elderly residents and Volunteer drivers	Residents get out and participate in recreational activities. Increase social connections, reduce stress, increase brain activity.	Volunteers' time (40hrs drivers cost per cost of volunteer) + Petrol \$80 * 12 months + 5 trip's Coordinators (3hrs x cost of volunteer)	24,326	Transport for 10 people	Social connectivity & tourism opportunities to places many would never get to go.
Elderly residents	More independence, improved health. "Staying close to home and spending time with friends can improve their overall wellbeing".				Saving travel time and cost of being able to access services locally
Government		Care levels fees**	665,220	29 people	Reduce government cost in residential age care
Mable and Trilogy Workers					Increase local jobs/incomes
Local Businesses/economy					Increase local economy
Total Investment			759,972		
** The 12 months value is based on weekly meals expenses for 1 person					
** Care levels fees		Annual Service Cost			
Level 1					10,271.10
Level 2	Care levels				18,063.85
Level 3		1			39,310.50
Level 4		2			69,693.55

Stage 3						
The Outcomes (What changes)						
Indicator	Source	Quantity	Duration	Financial Proxy	Value \$	Source
How would you measure it?	Where did you get the information?	How much change was there?	How long does it last?	What proxy would you use to value the change?	What is the value of the change?	Where did you get the information?
Increase in participants as a result of increased wellbeing for participants/feeling less isolated.	Cub Membership/Newsletter	Average of 30 people	5 years (no end date)	Cost of memberships	150	Gympie RSL membership fees \$5.
Fewer GP visits. Reduce stress and mental health issues.	Estimation****	20	5 years (no end date)	GP consultation	1,800	Australian Medical Association
Reduce loneliness, increase connectivity, and reduce Therapists sessions.	Estimation****	10	5 years		1,200	Australian Medical Association
Reduce Hospital intakes. Also can reduce hospital stays and rehabilitation cost.	Estimation****	5	5 years	Average cost of hospital per person 2021 Gympie Hospital.	30,553	Australian Institute of Health. Data for Queensland
Reduce accidents falls that can cause fractures.	Estimation****	5	5 years	Average cost of hip fracture to Queensland Health.	75,000	Queensland Health. Stay on your feet.
Improve general health	Stakeholders consultation, volunteers that delivers the service.	3	5 years	Average cost of hospital per person 2021 Gympie	18,330	Australian Institute of Health. Data for
Reduce falls staying in the house	Stakeholders consultation, volunteers that delivers the service.	3	5 years	Average cost of hip fracture to Queensland Health.	45,000	Queensland Health. Stay on your feet.
Residents that are not able to drive or leave the house have access to nutritious meals.	KDCCA report	3	5 years (no end date)	Supermarket delivery fees+ driving cost per km + time spent (There is no delivery for Kilkivan)	3,600	Coles website and Travel cost calculation from Kilkivan to Gympie
Increase in participants as a result of increased wellbeing for participants/feeling less isolated.	KDCCA report	40 people	5 years (no end date)	Cost of memberships + cost of visit to therapist for 10 people	3,600	Gympie RSL membership fees \$5. Australian Medical Association.
People are informed about activities and health information that matters to them. Increase connectivity and health awareness.	Newsletter - Kilkivan & District KICKSTART	200 people	5 years (no end date)	The service provided by this newsletter is priceless. The proxy used was the Australian weekend of \$5.	1,000	The Australian subscription cost - website.
Increased physical and brain activity reduce non-communicable diseases (NCDs). Health improvement	Stakeholders information (Volunteers who sees the change and advantages of having access to these trips)	10 people on average using the Van at times	5 years	Travel cost per person (door to door) \$45 x 5 times a month x 12 (annual value)	30,960	Calculated based on fuel used and distance. Also, cost of a day trip in the region \$99 per person.
Elderly residents happiness, they become more connected in a familiar environment and	KDCCA report	10	5 years	Therapy sessions for elderly and families	1,200	Estimation only.
Increase home care and support, reduce hospital intake, reduce mental health issues.	KDCCA report	20	5 years	Income generated	137,373	Australian Institute of Health and Welfare (GEN Age Care Data)
Increased local employment,	KDCCA report	15 employments	5 years	Assuming 50% stays in the community and earning on average \$55 working part-time	429,000	Estimation based on hourly pay Mable website
People staying home consume locally. Employed locals spend in housing, foods, child care, schools, etc.				ML3 - Local Multiplier 3 = 0.8 ***	343,200	Estimation based on the 50% spend in the local economy and the Local Multiplier estimated for Kilkivan.

***See calculation in the appendix

****To be confirmed by KDCCA

Stage 1	Stage 2	Stage 4			Stage 5						
Stakeholders	The Outcomes	Deadweight %	Attribution %	Drop Off %	Impact	Calculating social Return					
Who do we have an effect on?	Description	Outcome that happen without KDCCA!	How much the outcome was caused by the contribution of other organisations or people.	Does the outcome drop off in future years?	Quantity times financial proxy, less deadweight, drop off and attribution	Discount rate	Government 10-year bonds rate	4%			
	How would you describe the change?										
						Year 1 (after activity)	Year 2	Year 3	Year 4	Year 5	
Elderly residents and their families. (Activity: Senior social club)	Social connectivity; education & -	0%	0%	0%	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	
	The education and awareness helped the elderly to manage health better.	10%	20%	0%	25,200	25,200	25,200	25,200	25,200	25,200	
	The elderly and families made new friends and spent more time with others enjoying group activities.	10%	20%	0%	8,400	8,400	8,400	8,400	8,400	8,400	
	Increase general health	30%	30%	0%	61,105	61,105	61,105	61,105	61,105	61,105	
Meals Delivery recipients	Increase awareness about physical health to avoid falls.	20%	45%	0%	131,250	131,250	131,250	131,250	131,250	131,250	
	Improve general health	20%	45%	0%	19,247	19,247	19,247	19,247	19,247	19,247	
	Reduce falls staying in the house	20%	45%	0%	47,250	47,250	47,250	47,250	47,250	47,250	
Volunteers, elderly residents, friends and families (Activity Bingo)	Residents that are not able to drive or leave the house have access to nutritious meals.	20%	45%	0%	3,780	3,780	3,780	3,780	3,780	3,780	
	Social connectivity; raises the profile of our Rise & Shine Project across the target area; allows a relatively cheap night out for people of any age (we have young kids through to a 95 year old player)	0%	0%	0%	3,600.00	3,600	3,600	3,600	3,600	3,600	
Newsletter recipients - Kilkivan & District KICKSTART	Social connectivity and local awareness. Provides event information for organizations, exposure for local businesses, and important health service details.	0%	0%	0%	1,000.00	1,000	1,000	1,000	1,000	1,000	
Elderly residents and Volunteer drivers (KikiVAN)	Social connectivity; raises the profile of our Rise & Shine Project across the target area; allows a relatively cheap night out for people of any age (we have young kids through to a 95 year old player)	0%	0%	0%	72,000	72,000	72,000	72,000	72,000	72,000	
Elderly residents (HCP)	Saving travel time and cost of being able to access services locally	20%	50%	0%	10,440	10,440	10,440	10,440	10,440	10,440	
Government	Reduce government cost in residential age care	20%	50%	0%	1,195,145	1,195,145	1,195,145	1,195,145	1,195,145	1,195,145	
Mable and Trilogy Workers	Increase local jobs/incomes	38%	50%	0%	772,200	772,200	772,200	772,200	772,200	772,200	
Local Businesses	Increase local economy	38%	50%	0%	617,780	617,780	617,780	617,780	617,780	617,780	
TOTAL					2,972,876.35	2,972,876.35	2,972,876.35	2,972,876.35	2,972,876.35	2,972,876.35	
						Government 10-year bonds rate	4%				
						Present Value	2,850,312.90	2,732,802.39	2,620,136.52	2,512,115.55	2,408,547.99
						Total Present Value					13,123,915.35
						Net Present Value = (Total Present Value - Total Investment)					12,363,942.95
						SROI = Total Present Value/Total inputs					17.27

A2. NPV AND IRR CALCULATION

Kilkivan Rise and Shine	
Initial investment (Building + Land)	6,520,000
Building Cost	5,820,000
Rate (10 year Australian Gov. Bonds rate)	4.30%
Project life in years	40
Building and land Market value at the end of 5 years (estimated sale value - 2% annual compound growth over 5 years)	\$7,198,607
Straight Line Depreciation rate - annual	2.5%
Sale value/slavage value - estimated commercial value of land and building at the end of 5 years.	\$7,198,607
Book Value end year five	\$5,259,464
Net Working Capital	\$600,000
Taxation rate	0%
Annual Marketing and Administration	-\$5,000
Total Rent 25% below market price for 1&2 Bed Units	\$263,150
Revenue from 5-Bed House - 4-bed weekly rent and 1-bed daily charge	\$301,125
Revenue from age care admin all levels (Trilogy) - 12% of total care cost	\$76,343
Operating Expenses	
Variable Costs	-\$250,000
Fixed Costs	-\$40,000
Inflation is an estimation based on RBA projection	
Inflation Forecast year 2	3.0%
Inflation Forecast year 3	3.0%
Inflation Forecast year 4-5	3.0%

Year	0	1	2	3	4	5
Initial Investment	(\$6,520,000)					
Working capital	(\$600,000)					
Total revenue \$		\$664,058	\$683,980	\$704,499	\$725,634	\$747,403
Revenue from rent 1&2 Bed Units		\$263,150	\$271,045	\$279,176	\$287,551	\$296,178
Revenue from % Bed House - daily charge		\$301,125	\$310,159	\$319,464	\$329,047	\$338,919
Revenue from age care admin all levels (Trilogy)		\$99,783	\$102,776	\$105,860	\$109,036	\$112,307
Total Cost \$		(\$440,500)	(\$444,513)	(\$448,845)	(\$453,343)	(\$458,326)
Fixed Costs - general running expenses		(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
Operating Expenses (Includes wages for 2 full-time and 2 part-time staff)		(\$250,000)	(\$257,500)	(\$265,225)	(\$273,182)	(\$281,377)
Marketing		(\$5,000)	(\$5,150)	(\$5,305)	(\$5,303)	(\$5,463)
Depreciation		(\$145,500)	(\$141,863)	(\$138,316)	(\$134,858)	(\$131,487)
Gain on Sale/loss on sale (Salvage value - Book value)						\$ 1,939,143
Investment allowance		\$0	\$0	\$0	\$0	\$0
EBT		\$223,558	\$239,467	\$255,654	\$272,291	\$2,228,220
TAX	0%	\$0	\$0	\$0	\$0	\$0
Salvage Value						\$ 7,198,607
Recovery of working capital						\$600,000
Net Cash Flows	(\$7,120,000)	\$369,058	\$381,330	\$393,970	\$407,149	\$10,158,314
Discount @ WACC	1	0.95877	0.91925	0.88135	0.84501	0.81017
PV	(\$7,120,000)	\$353,843	\$350,536	\$347,224	\$344,046	\$8,230,004
NPV Manual Ke: 4.3%		\$2,505,652				
NPV Excel		\$2,505,652				
WACC Nominal	4.30%		IRR	11.36%		

Depreciation Schedule	
Cost of Asset	5,820,000
Depn. Rate	0.0250
Depn. Amount Yr 1	145,500
Written Down Value (WDV)	5,674,500
Cost of Asset	5,674,500
Depn. Rate	0.0250
Depn. Amount Yr 2	141,863
Written Down Value (WDV)	5,532,638
Cost of Asset	5,532,638
Depn. Rate	0.0250
Depn. Amount Yr 3	138,316
Written Down Value (WDV)	5,394,322
Cost of Asset	5,394,322
Depn. Rate	0.0250
Depn. Amount Yr 4	134,858
Written Down Value (WDV)	5,259,464
Cost of Asset	5,259,464
Depn. Rate	0.0250
Depn. Amount Yr 5	131,487
Written Down Value (WDV)	5,259,464
Written Down Value (WDV)	\$ 5,259,464
Salvage Value	\$ 7,198,607
Gain on Sale	\$ 1,939,143